

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPEAL BRIEF

Application No.: 09/540035

Customer No.: 22927

Attorney Docket No.: 99-063

Date Filed: March 31, 2000

Title: RETAIL SYSTEM FOR SELLING PRODUCTS
BASED ON A FLEXIBLE PRODUCT DESCRIPTION

Applicants: Walker et al.

Group Art Unit: 3692

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**BOARD OF PATENT APPEALS
AND INTERFERENCES**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

Appellants submit this Appeal Brief following the Examiner's Office Action mailed August 25, 2006 (Paper No. / Mail Date 20060812).

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REAL PARTY IN INTEREST

The present application is assigned to Walker Digital, LLC, 2 High Ridge Park, Stamford, CT 06905.

RELATED APPEALS AND INTERFERENCES

Appellants, Appellants' legal representative and Appellants' assignee know of no interferences or appeals that will directly affect, be directly affected by, or have a bearing on the Board's decision in the pending appeal.

STATUS OF CLAIMS

Claims 5, 6, 29, 31-34, 36-41, and 43-63 are pending.

Only Claims 31-33, 36-40, and 43-50 are rejected, and all the rejections are being appealed.

Claims 1-4, 7-28, 30, 35, and 42 are cancelled.

Claims 51-63 are withdrawn.

Claims 5, 6, 29, 34, and 41 are allowed.

STATUS OF AMENDMENTS

No amendments have been filed subsequent to the Office Action mailed August 25, 2006.

SUMMARY OF CLAIMED SUBJECT MATTER

Rejected Claims 31-33, 36-40, and 43-49 are independent.

Concise explanations of the independent claims are provided below. As required by 37 C.F.R. § 41.37(c)(1)(v), reference is made to the Specification. Any such reference and / or accompanying explanation:

(i) is by way of example of the claimed subject matter only and is not a comprehensive description of the scope of the independent claim being discussed, nor a comprehensive listing of support in the specification for the independent claim being discussed;

(ii) might be potentially useful in clarifying the particular subject matter of the particular independent claim being discussed (and not other claims or “the invention” as a whole), unless explicitly stated otherwise; and

(iii) is not to be considered as broadening or narrowing or otherwise affecting the interpretation of any claim or part of a claim, unless explicitly stated otherwise.

Additionally, any explanation or reference to the specification which refers to more than one claim, or is utilized in the explanation of more than one claim, is not to be considered as broadening or narrowing or otherwise affecting the interpretation of any claim or part of a claim, and is not to be considered as indicating any equivalence of any claims or parts of a claim.

1. Independent Claims 31, 33, 36, 38, 40, 43, and 45

Applicants have discovered that customer demand for a product can be approximately quantified based on a customer's specification of desired product values. Applicants have also discovered that retailers are willing to reduce prices in return for customer flexibility in sale terms. In addition, Applicants have invented a system to use these discoveries to efficiently charge different prices to different customers in order to optimize profits while being fair to customers, and to discount prices while minimizing losses, price dilution, brand dilution and perceived unfairness. See, e.g., Specification, page 4, lines 1-9.

Independent Claim 31 recites computer-executable process steps stored on a computer-readable medium. The process steps of Claim 31 comprise a determining step to determine a sale price based on a product description, and a receiving step to receive from a customer an agreement to purchase a product for the sale price. The process steps further comprise, after the receiving step, a selecting step to select a particular product to be sold to the customer from among a plurality of different products conforming to the product description. Independent Claim 36 recites the same computer-readable process steps as Claim 31, encoded in a computer-readable signal, and independent Claim 43 recites an apparatus comprising respective means for performing functions similar to those of Claim 31.

For some examples of the subject matter of Claims 31, 36, and 43, see Specification, page 4, lines 10-16; page 5, lines 23-27; page 9, line 3 to page 10, line 3; FIG. 1 (100); page 10, line 6 to page 11, line 24; FIG. 2 (200, 260, 270, 280, 250, 290, 300); page 12, lines 6-26; FIG. 3 (220, 222, 223, 224, 221, 225); page 20, line 2 to page 22, line 29; FIG. 13 (1302, 1304, 1308, 1310); page 23, line 33 to page 24, line 12; page 24, line 14 to page 26, line 28; FIG. 14 (1400); page 26, line

30 to page 27, line 25; FIG. 15 (1500); page 27, line 27 to page 29, line 10; FIG. 16 (1600); page 34, line 14 to page 35, line 23; FIG. 20 (2002, 2004, 2006, 2008); page 35, line 25 to page 36, line 15; FIG. 2102 (2102, 2104, 2108, 2110); page 37, lines 5-21; page 38, lines 1-24. In one aspect, the process steps or apparatus provide that a sale price is determined based on a product description, and the sale price is transmitted to a customer. In addition, no specific product is identified to the customer as a particular product that will be sold to the customer before an agreement to purchase a product for the sale price is received from the customer. Accordingly, the customer is not guaranteed what specific product will be purchased before an agreement to purchase a product for the sale price is received from the customer. It should be understood that the customer will agree to the purchase if the customer is willing to accept, in return for the sale price, any product conforming to the product description. Both the customer and retailer benefit as a result of the foregoing system. The customer can receive lower prices in exchange for flexible description parameters and may also receive discounts that would normally not be advertised to the general public for fear of price and brand dilution. The retailer is able to evaluate a customer's individual demand based on the received description and determine a sale price accordingly, thereby reducing losses associated with the single-price systems described in the background of Specification. Practice of the process steps or use of the claimed apparatus may result, for example, in the sale of a product to two different customers for two different sale prices. The process or functionality provided by the claimed apparatus are likely to be perceived as fair by both customers because a higher-paying customer likely agreed to a less flexible product description than a lower-paying customer, and neither customer would have agreed to the other's product description and sale price.

Independent Claim 33 recites similar computer-executable process steps stored on a computer-readable medium with respect to air travel. Claim 33 explicitly recites an additional receiving step to receive a description of a desired air travel itinerary, and also recites process steps including a receiving step to receive an agreement from a customer to purchase an airline ticket for the sale price, and, after receiving the agreement, a selecting step to select a flight on which the airline ticket will allow the customer to travel. Independent Claim 38 recites the same computer-readable process steps as Claim 33, encoded in a computer-readable signal, independent Claim 45 recites an apparatus comprising respective means for performing functions similar to those of Claim 33, and independent Claim 40 recites an apparatus comprising a processor operative with processor-executable process steps stored in a memory to perform similar functionality. For some examples of the subject matter of Claims 33, 38, 40, and 45, please see the citations noted above.

2. Independent Claims 32, 37, 39, and 44

Applicants have discovered that customer demand for a product can be approximately quantified based on a customer's specification of desired product values. Applicants have also discovered that retailers are willing to reduce prices in return for customer flexibility in sale terms. In addition, Applicants have invented a system to use these discoveries to efficiently charge different prices to different customers in order to optimize profits while being fair to customers, and to discount prices while minimizing losses, price dilution, brand dilution and perceived unfairness. See, e.g., Specification, page 4, lines 1-9.

Independent Claim 32 recites computer-executable process steps stored on a computer-readable medium. The process steps of Claim 32 comprise a receiving step to receive a product description from a customer, the product description

including condition values describing a product desired by a customer. The process steps further comprise a determining step to determine a sale price based on the received product description. The process steps further comprise a transmitting step to transmit the sale price to the customer and a receiving step to receive from the customer, prior to revealing the identity of a specific product to the customer, an agreement to purchase a product conforming to the product description for the sale price. The process steps further comprise a selecting step to select a specific product conforming to the product description and a transmitting step to transmit redemption information to the customer and to reveal the identity of the specific product to the customer. Independent Claim 37 recites the same computer-readable process steps as Claim 32, encoded in a computer-readable signal, and independent Claim 44 recites an apparatus comprising respective means for performing functions similar to those of Claim 32. Independent Claim 39 recites an apparatus comprising a processor operative with processor-executable process steps stored in a memory to perform functionality similar to that of Claim 37, with the exception that instead of a feature explicitly requiring that the agreement to purchase a product is received prior to revealing the identity of a specific product, a feature is provided wherein the customer is not guaranteed what specific product will be purchased before the agreement is received.

For some examples of the subject matter of Claims 32, 37, 39, and 44, see Specification, page 4, lines 10-16; page 5, lines 23-27; page 9, line 3 to page 10, line 3; FIG. 1 (100); page 10, line 6 to page 11, line 24; FIG. 2 (200, 260, 270, 280, 250, 290, 300); page 12, lines 6-26; FIG. 3 (220, 222, 223, 224, 221, 225); page 20, line 2 to page 23, line 13; page 23, lines 22-32; FIG. 13 (1302, 1304, 1306, 1308, 1310, 1312); page 23, line 33 to page 24, line 12; page 24, line 14 to page 26, line 28; FIG. 14 (1400); page 26, line 30 to page 27, line 25; FIG. 15 (1500);

page 27, line 27 to page 29, line 10; FIG. 16 (1600); page 35, line 25 to page 36, line 15; page 36, lines 21-29; FIG. 2102 (2102, 2104, 2108, 2110, 2112); page 37, line 5 to page 38, line 34.

In one aspect, the process steps or apparatus provide that a sale price is determined based on a product description, and the sale price is transmitted to a customer. In addition, no specific product is identified or revealed to the customer as a particular product that will be sold to the customer before an agreement to purchase a product for the sale price is received from the customer. Accordingly, the customer is not guaranteed what specific product will be purchased before an agreement to purchase a product for the sale price is received from the customer. It should be understood that the customer will agree to the purchase if the customer is willing to accept, in return for the sale price, any product conforming to the product description. Both the customer and retailer benefit as a result of the foregoing system. The customer can receive lower prices in exchange for flexible description parameters and may also receive discounts that would normally not be advertised to the general public for fear of price and brand dilution. The retailer is able to evaluate a customer's individual demand based on the received description and determine a sale price accordingly, thereby reducing losses associated with the single-price systems described in the background of Specification. Practice of the process steps or use of the claimed apparatus may result, for example, in the sale of a product to two different customers for two different sale prices. The process or functionality provided by the claimed apparatus are likely to be perceived as fair by both customers because a higher-paying customer likely agreed to a less flexible product description than a lower-paying customer, and neither customer would have agreed to the other's product description and sale price.

3. Independent Claims 46, 47, and 48

Applicants have discovered that customer demand for a product can be approximately quantified based on a customer's specification of desired product values. Applicants have also discovered that retailers are willing to reduce prices in return for customer flexibility in sale terms. In addition, Applicants have invented a system to use these discoveries to efficiently charge different prices to different customers in order to optimize profits while being fair to customers, and to discount prices while minimizing losses, price dilution, brand dilution and perceived unfairness. See, e.g., Specification, page 4, lines 1-9.

Independent Claim 46 recites computer-executable process steps stored on a computer-readable medium. The process steps of Claim 32 comprise a receiving step to receive a product description from a customer, the product description being descriptive of two or more products from a plurality of products. The process steps further comprise a determining step to determine, based on the product description, a single sales price applicable to each of the two or more products from the plurality of available products. The process steps further comprise a transmitting step to transmit, to the customer, an offer to buy an undisclosed one of the two or more products for the single sale price. The process steps further comprise a selling step to sell the undisclosed one of the two or more products to the customer for the single sales price and to reveal the identity of the undisclosed one of the two or more products to the customer. Independent Claims 47 and 48 recite, respectively, a method and an apparatus comprising respective means for performing the functions of Claim 46.

For some examples of the subject matter of Claims 46, 47, and 48, see Specification, page 4, lines 10-16; page 5, lines 23-27; page 9, line 3 to page 10, line 3; FIG. 1 (100); page 10, line 6 to page 11, line 24; FIG. 2 (200, 260, 270, 280,

250, 290, 300); page 12, lines 6-26; FIG. 3 (220, 222, 223, 224, 221, 225); page 20, line 2 to page 23, line 13; page 23, lines 22-32; FIG. 13 (1302, 1304, 1306, 1308, 1310, 1312); page 23, line 33 to page 24, line 12; page 24, line 14 to page 26, line 28; FIG. 14 (1400); page 26, line 30 to page 27, line 25; FIG. 15 (1500); page 27, line 27 to page 29, line 10; FIG. 16 (1600); page 35, line 25 to page 36, line 15; page 36, lines 21-29; FIG. 2102 (2102, 2104, 2108, 2110, 2112); page 37, line 5 to page 38, line 34. In one aspect, the process steps or apparatus provide that a sale price is determined based on a product description, and the sale price is transmitted to a customer. In addition, no specific product is identified or revealed to the customer as a particular product that will be sold to the customer before an agreement to purchase a product for the sale price is received from the customer. Accordingly, the customer is not guaranteed what specific product will be purchased before an agreement to purchase a product for the sale price is received from the customer. It should be understood that the customer will agree to the purchase if the customer is willing to accept, in return for the sale price, any product conforming to the product description. Both the customer and retailer benefit as a result of the foregoing system. The customer can receive lower prices in exchange for flexible description parameters and may also receive discounts that would normally not be advertised to the general public for fear of price and brand dilution. The retailer is able to evaluate a customer's individual demand based on the received description and determine a sale price accordingly, thereby reducing losses associated with the single-price systems described in the background of Specification. Practice of the process steps or use of the claimed apparatus may result, for example, in the sale of a product to two different customers for two different sale prices. The process or functionality provided by the claimed apparatus are likely to be perceived as fair by both customers because a higher-paying customer likely agreed to a less flexible product description than a lower-

paying customer, and neither customer would have agreed to the other's product description and sale price.

4. Independent Claim 49

Applicants have discovered that customer demand for a product can be approximately quantified based on a customer's specification of desired product values. Applicants have also discovered that retailers are willing to reduce prices in return for customer flexibility in sale terms. In addition, Applicants have invented a system to use these discoveries to efficiently charge different prices to different customers in order to optimize profits while being fair to customers, and to discount prices while minimizing losses, price dilution, brand dilution and perceived unfairness. See, e.g., Specification, page 4, lines 1-9.

Independent Claim 49 recites a method. The method comprises a feature of receiving a first product description from a first customer, the first product description being descriptive of a product from a plurality of available products. The method further comprises receiving a second product description from a second customer, the second product description being descriptive of the product from the plurality of available products. The method further comprises determining, based on the first product description, a first sales price for the product from the plurality of available products and determining, based on the second product description, a second sales price for the product from the plurality of available products. The method further comprises providing the first sales price to the first customer and providing the second sales price to the second customer. The method further comprises a feature of selling the product from the plurality of available products by at least one of: (i) selling the product from the plurality of available products to the first customer for the first sales price; and (ii) selling the

product from the plurality of available products to the second customer for the second sales price.

For some examples of the subject matter of Claims 32, 37, and 44, see Specification, page 4, lines 10-16; page 5, lines 23-27; page 9, line 3 to page 10, line 3; FIG. 1 (100); page 10, line 6 to page 11, line 24; FIG. 2 (200, 260, 270, 280, 250, 290, 300); page 12, lines 6-26; FIG. 3 (220, 222, 223, 224, 221, 225); page 20, line 2 to page 23, line 13; page 23, lines 22-32; FIG. 13 (1302, 1304, 1306, 1308, 1310, 1312); page 23, line 33 to page 24, line 12; page 24, line 14 to page 26, line 28; FIG. 14 (1400); page 26, line 30 to page 27, line 25; FIG. 15 (1500); page 27, line 27 to page 29, line 10; FIG. 16 (1600); page 35, line 25 to page 36, line 15; page 36, lines 21-29; FIG. 2102 (2102, 2104, 2108, 2110, 2112); page 37, line 5 to page 38, line 34. In one aspect, the process steps or apparatus provide that a sale price is determined based on a product description, and the sale price is transmitted to a customer. In addition, no specific product is identified or revealed to the customer as a particular product that will be sold to the customer before an agreement to purchase a product for the sale price is received from the customer. Accordingly, the customer is not guaranteed what specific product will be purchased before an agreement to purchase a product for the sale price is received from the customer. It should be understood that the customer will agree to the purchase if the customer is willing to accept, in return for the sale price, any product conforming to the product description. Both the customer and retailer benefit as a result of the foregoing system. The customer can receive lower prices in exchange for flexible description parameters and may also receive discounts that would normally not be advertised to the general public for fear of price and brand dilution. The retailer is able to evaluate a customer's individual demand based on the received description and determine a sale price accordingly, thereby reducing losses associated with the single-price systems described in the background of

Specification. Practice of the process steps or use of the claimed apparatus may result, for example, in the sale of a product to two different customers for two different sale prices. The process is likely to be perceived as fair by both customers because a higher-paying customer likely agreed to a less flexible product description than a lower-paying customer, and neither customer would have agreed to the other's product description and sale price. The claimed method also provides the advantage that, in one aspect, a product description is received and a product is selected, with a sale price of a particular selected product being a first sale price if the description is a first description and a second sale price if the description is a second description. The foregoing aspect provides a method by which a same product may be sold to different customers for different prices. Such pricing may be desirable if a product description received from one customer indicates a greater demand for a particular product than a product description received from another customer. It should be noted that, in contrast to the airline pricing systems discussed in the background, a method according to this aspect is perceived as fair because different product descriptions are received from each customer, and because each customer would likely not have been willing to purchase a product conforming to the other customer's description for the other customer's sale price. See, e.g., Specification, page 5, line 23 to page 6, line 2.

GROUND OF REJECTION TO BE REVIEWED ON APPEAL

1. Section 102(e)—Tagawa

Claims 49-50 stand rejected under 35 U.S.C. § 102(e) as allegedly being anticipated by:

U.S. Patent No. 5,732,398 issued to Tagawa ("Tagawa").

2. Section 103(a)—Tagawa

Claims 31-33, 36-40, and 43-48 stand rejected under 35 U.S.C. § 103(a) as being obvious in light of findings allegedly supported by:

U.S. Patent No. 5,732,398 issued to Tagawa ("Tagawa"); and
assertions by the Examiner not supported by substantial evidence
made of record.

ARGUMENT

1. **Form of Appeal Brief**

In the arguments herein, limitations of the claims are indicated in *italics* and the references of record are indicated by underlining.

In separate arguments of patentability for separate claims (or groups of claims), Appellants have, where possible, referred to prior arguments to avoid undue repetition.

In the arguments below, Appellants refer to:

- Office Action: Non-Final Office Action mailed August 25, 2006

2. Section 102(e)—Tagawa

Appealed Claims 49 and 50 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Tagawa.

Claims 49 and 50 stand and fall together.

2.1. Applicable Law

Prima facie burden

The examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a prima facie case of unpatentability. If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445, 24 U.S.P.Q.2D 1443, 1444 (Fed. Cir. 1992).

Substantial evidence required for all factual findings

The Board is not permitted to accept conclusory, unsupported findings made by the Primary Examiner that are not supported by substantial evidence made of record.

All findings of fact by the U.S. Patent and Trademark Office must be supported by substantial evidence within the record. In re Gartside, 203 F.3d 1305, 1315, 53 U.S.P.Q.2D 1769, 1775 (Fed. Cir. 2000).

The Supreme Court has described “substantial evidence” in the following manner:

substantial evidence is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. . . . Mere uncorroborated hearsay or rumor does not constitute substantial evidence.

Consolidated Edison Co. v. NLRB, 305 U.S. 197, 229, 83 L. Ed. 126, 59 S. Ct. 206 (1938); see also, Dickinson v. Zurko, 527 U.S. 150, 162, 50 U.S.P.Q.2D 1930, 1935, 144 L. Ed. 2d 143, 119 S. Ct. 1816 (1999) (“Zurko III”).

“[R]eview under this standard involves an examination of the record as a whole, taking into consideration evidence that both justifies and detracts from the agency’s decision.” Universal Camera Corp. v. NLRB, 340 U.S. 474, 487-88, 95 L. Ed. 456, 71 S. Ct. 456 (1951); Zurko III, 527 U.S. at 162.

Anticipation

Anticipation requires identity of the claimed process and a process of the prior art; the claimed process, including each step thereof, must have been described or embodied, either expressly or inherently, in a single reference. Minnesota Min. & Mfg. Co., v. Johnson & Johnson Orthopedics, Inc., 976 F.2d 1559, 24 U.S.P.Q.2D 1321 (Fed. Cir. 1992); Glaverbel S.A. v. Northlake Mkt’g & Supp., Inc., 45 F.3d 1550, 33 U.S.P.Q.2D 1496 (Fed. Cir. 1995). “A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” Verdegaal Bros. v. Union Oil Co. of California, 814 F.2d 628, 631, 2 U.S.P.Q.2D 1051 (Fed. Cir. 1987).

The elements of the claim must either be inherent or disclosed expressly in the reference. Constant v. Advanced Micro-Devices, Inc., 848 F.2d 1560, 7 U.S.P.Q.2D 1057 (Fed. Cir. 1988).

There must not be any differences between the claimed invention and the prior art disclosure, as viewed by a person of ordinary skill in the art, for anticipation to exist. Scripps Clinic & Res. Found. v. Genentech, Inc., 927 F.2d 1565, 18 U.S.P.Q.2D 1001 (Fed. Cir. 1991). Thus, the absence of any claim element from the reference negates anticipation. Kloster Speedsteel AB v. Crucible Inc., 793 F.2d 1565, 230 U.S.P.Q. 160 (Fed. Cir. 1986).

Further, as explained in Motorola, Inc. v. Interdigital Tech. Corp.:

For a prior art reference to anticipate a claim, the reference must disclose each and every element of the claim with sufficient clarity to prove its existence in the prior art. See In re Spada, 911 F.2d 705, 708, 15 U.S.P.Q.2D (BNA) 1655, 1657 (Fed. Cir. 1990) (“The [prior art] reference must describe the applicant’s claimed invention sufficiently to have placed a person of ordinary skill in the field of the invention in possession of it.” (citations omitted)). Although this disclosure requirement presupposes the knowledge of one skilled in the art of the claimed invention, that presumed knowledge does not grant a license to read into the prior art reference teachings that are not there.

121 F.3d 1461, 1473, 43 U.S.P.Q.2D 1481, 1490 (Fed. Cir. 1997).

Claim interpretation must be consistent with the specification

During examination, claims are given their broadest reasonable interpretation that those skilled in the art would reach, consistent with the specification. In re Hyatt, 211 F.3d 1367, 1372, 54 U.S.P.Q.2D 1664, 1667 (Fed. Cir. 2000); In re Cortright, 165 F.3d 1353, 1359, 49 U.S.P.Q.2D 1464, 1468 (Fed. Cir. 1999). The “PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant’s specification.” In re Morris, 127 F.3d 1048, 1054-55, 44 U.S.P.Q.2D 1023, 1027 (Fed. Cir. 1997).

2.2. Claims 49 and 50

Claim 49 is independent. Claim 50 depends from Claim 49.

Substantial evidence is required of all factual findings, as discussed above. Absent substantial evidence, no prima facie case of anticipation exists.

The rejection of Claim 49 is flawed because the Examiner has not made a prima facie case of anticipation:

- the Examiner has failed to establish by substantial evidence of record that the claimed subject matter of determining a first sales price for a product based on a first product description and determining a second sales price for the same product based on a different second product description, is disclosed in Tagawa or was otherwise known at the time of invention
- the Examiner has otherwise failed to provide substantial evidence that the particular method of Claim 49 was known at the time of Appellants' invention.

The Examiner has failed to apply the cited reference to the limitations of Claim 49. The Examiner makes broad, conclusory statements (Office Action, page 9), regarding the general teachings of Tagawa, yet fails to provide support for these statements and fails to directly address *any* of the limitations of Claim 49.

For example, Claim 49 recites, basically, receiving **two different product descriptions for the same product**, and, based, respectively, on these two different descriptions, determining **two (potentially different) prices for the same product**. See, e.g., Specification, page 5, line 23 to page 6, line 2. The Examiner does not address this subject matter of Claim 49 and does not make a showing, supported by substantial evidence, as to how Tagawa is believed to anticipate these features. Appellants do not believe the Examiner understands the claimed subject matter, and the Office Action confirms this belief. In the Office

Action (pages 9-10), the Examiner relates a general argument that Tagawa would allow a traveler to indicate a “product description” that “would at least be a regular ticket or a first class ticket in the same airline or airplane,” each of which would have a different price. Simply, Appellants’ response is that a regular ticket and a first class ticket are not the same product, and nothing in Tagawa would suggest otherwise. In fact, the Examiner’s assumption that the different products would have different prices is consistent with the conventional treatment of such different products in the prior art.

In contrast, Claim 49 allows, for example, a first price for a first class ticket on a flight to be determined based on a first product description, and a second price for a first class ticket on the same flight to be determined based on a different second product description. The prices may be different, but in any case they are determined based on the respective and different product descriptions.

For example, building on the Examiner’s scenario, assume that a first customer submits a more general product description of travel to a particular destination, and a second customer submits a product description of travel to the same destination but specifies a condition of a first class seat. A first class ticket is an example of a product that is described by both product descriptions. According to the Examiner and to Tagawa, however, there would be no need to consider the different product descriptions in determining the pricing—the pricing would be fixed for the same first class ticket, and any variations in the respective product descriptions would have not bearing whatsoever on the cost of the ticket to each customer. Claim 49, however, because it explicitly requires determining the respective sales prices for the same desired first class ticket, based explicitly on each respective different product description, advantageously allows a merchant to control pricing based on, for example, how specific or general, or flexible or inflexible, a customer was in expressing what product he wanted. Appellants have

reviewed Tagawa and have found no teaching or suggestion that reads on this claimed subject matter of Claim 49.

Appellants also note that in one portion of the Office Action, the Examiner interprets a “product”, as allegedly described by Tagawa, as comprising an individual and particular airline seat (e.g., seat 23A). (page 6). The Examiner utilizes this interpretation to allegedly show how claim limitations that describe concealing product identity from a customer until after the time of purchase are rendered obvious.

In another portion of the Office Action, the Examiner interprets the “product”, as allegedly described by Tagawa, as comprising any airline ticket (e.g., for a flight from point A to point B). The Examiner utilizes this interpretation to allegedly show how claim limitations that describe two different product descriptions for the same product, and, based on these descriptions, two different prices for the same product, are anticipated.

Appellants submit that the varying interpretations of the term “product” as utilized by the Examiner are mutually conflicting and fail to coincide with any interpretation that a reasonable person would attribute to the term. Appellants submit that the term “product”, when applied to an airline flight as described in Tagawa, would have been understood in Tagawa and conventionally in the prior art, as an airline ticket of a particular class, for a particular flight. Different tickets for different flights would be different “products”, as would different classes of seats on the same flight, while different seats within any particular class would be different “units” of the same product – much like different units of a particular type of stereo sent from a manufacturing facility are the same “product”, just different units of that product (e.g., differing not in features, but only in serial number).

At least for this reason, the outstanding § 102(e) and § 103(a) rejections of the pending claims (discussed in more detail in another section below), so much as

they rely upon these conflicting and unreasonable interpretations of the term “product”, cannot properly stand. Appellants therefore respectfully request that all rejections be withdrawn.

Accordingly, as the Examiner has failed to show how all the limitations of Claim 49 are taught by the only cited reference, the Examiner has failed to set forth a *prima facie* case for anticipation. At least for these reasons, Appellants respectfully request that these §102(e) rejections of Claims 49 and 50 be withdrawn.

To the extent that the Examiner is relying solely upon Tagawa as teaching that the particular combination of claimed subject matter of Claim 49 was known to one of ordinary skill in the art, the Section 102(e) rejection cannot stand. The Examiner has failed otherwise to indicate substantial evidence in support of the Examiner’s assertions as to what was known. Accordingly, the Examiner has failed to establish a *prima facie* case of anticipation for Claim 49. Appellants request reversal of the Section 102(e) rejection of Claims 49 and 50.

3. Section 103(a)—Tagawa

Appealed Claims 31-33, 36-40, and 43-48 stand rejected under 35 U.S.C. § 103(a) as being obvious in light of Tagawa and alleged findings by the Examiner that are not supported by substantial evidence of record.

Claims 31-33, 36-40, and 43-48 do not stand and fall together. Separate arguments for separate claims (or groups of claims) are made under separate subheadings.

3.1. Claims 31-33, 36-40, and 43-45

Claims 31-33, 36-40, and 43-45 are independent.

Substantial evidence is required of all factual findings, as discussed above. Absent substantial evidence, no prima facie case of anticipation exists.

The rejections of Claims 31-33, 36-40, and 43-45 are flawed because the Examiner has not made a prima facie case of obviousness:

- the Examiner admits that Tagawa does not teach
 - after receiving or obtaining from a customer an agreement to purchase a product at a sales price, either
 - *selecting a particular product to be sold to the customer from among a plurality of different products conforming to a product description; or*
 - *revealing the identity of the specific product conforming to the product description; or*
 - *wherein the customer is not guaranteed what specific product will be purchased before the agreement is received*

- the Examiner has thus failed to establish by substantial evidence of record that any of the claimed combinations of subject matter were known or would have been obvious
- the Examiner has failed even to articulate any reason why one of only ordinary skill in the art would have found it desirable to provide for the recited combinations of subject matter
- the Examiner has failed to indicate any evidence in support of the conclusory assertion that it would have been obvious to provide for the particular claimed subject matter of Claims 31-33, 36-40, and 43-45
- the only evidence of record relied upon for this grounds of rejection cannot support a rejection of any of Claims 31-33, 36-40, and 43-45 under Section 103(a)
- the Examiner has otherwise failed to provide substantial evidence that the particular claimed subject matter of Claims 31-33, 36-40, and 43-45 would have been obvious at the time of Appellants' invention

3.2. Applicable Law

Prima facie burden

The examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a prima facie case of unpatentability. If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445, 24 U.S.P.Q.2D 1443, 1444 (Fed. Cir. 1992).

Claim interpretation must be consistent with the specification

During examination, claims are given their broadest reasonable interpretation that those skilled in the art would reach, consistent with the

specification. In re Hyatt, 211 F.3d 1367, 1372, 54 U.S.P.Q.2D 1664, 1667 (Fed. Cir. 2000); In re Cortright, 165 F.3d 1353, 1359, 49 U.S.P.Q.2D 1464, 1468 (Fed. Cir. 1999). The “PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant’s specification.” In re Morris, 127 F.3d 1048, 1054-55, 44 U.S.P.Q.2D 1023, 1027 (Fed. Cir. 1997).

Substantial evidence required for all factual findings

The Board is not permitted to accept conclusory, unsupported findings made by the Primary Examiner that are not supported by substantial evidence made of record.

All findings of fact by the U.S. Patent and Trademark Office must be supported by substantial evidence within the record. Brand v. Miller, Slip Op. at 8-9 (Fed. Cir. 2007); In re Gartside, 203 F.3d 1305, 1315, 53 U.S.P.Q.2D 1769, 1775 (Fed. Cir. 2000).

The Supreme Court has described “substantial evidence” in the following manner:

substantial evidence is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. . . . Mere uncorroborated hearsay or rumor does not constitute substantial evidence.

Consolidated Edison Co. v. NLRB, 305 U.S. 197, 229, 83 L. Ed. 126, 59 S. Ct. 206 (1938); see also, Dickinson v. Zurko, 527 U.S. 150, 162, 50 U.S.P.Q.2D 1930, 1935, 144 L. Ed. 2d 143, 119 S. Ct. 1816 (1999) (“Zurko III”).

“[R]eview under this standard involves an examination of the record as a whole, taking into consideration evidence that both justifies and detracts from the

agency's decision." Universal Camera Corp. v. NLRB, 340 U.S. 474, 487-88, 95 L. Ed. 456, 71 S. Ct. 456 (1951); Zurko III, 527 U.S. at 162.

Obviousness

The examiner bears the initial burden of establishing a prima facie case of obviousness based upon the prior art. In re Fritch, 972 F.2d 1260, 1265, 23 U.S.P.Q.2D 1780, 1783 (Fed. Cir. 1992); Oetiker, 977 F.2d at 1445. In the absence of a proper prima facie case of obviousness, an applicant who complies with the other statutory requirements is entitled to a patent. Oetiker, 977 F.2d at 1445.

To reject claims in an application under section 103, an examiner must show an un rebutted prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1355, 47 U.S.P.Q.2D 1453, 1455 (Fed. Cir. 1998). The prima facie case is a procedural tool, and requires that the examiner initially produce evidence sufficient to support a ruling of obviousness; thereafter the burden shifts to the applicant to come forward with evidence or argument in rebuttal. In re Kumar, 418 F.3d 1361, 1366, 76 U.S.P.Q.2D 1048, 1050 (Fed. Cir. 2005). The patent applicant may attack the Examiner's prima facie determination as improperly made out, or the applicant may present objective evidence tending to support a conclusion of nonobviousness. Fritch, 972 F.2d at 1265. When rebuttal evidence is provided, the prima facie case dissolves, and the decision is made on the entirety of the evidence. Kumar, 418 F.3d at 1366; Oetiker, 977 F.2d at 1445.

In Graham v. John Deere Co., 383 U.S. 1, 148 U.S.P.Q. 459 (1966), the Supreme Court established the test for consideration and determination of obviousness under 35 U.S.C. § 103. In Iron Grip Barbell Co. v. USA Sports Inc., the Federal Circuit explained how obviousness must be determined using the four-part Graham test:

we employ the four-part test set forth in *Graham v. John Deere Co.*, 383 U.S. 1 (1966). This test requires us to examine

- (1) the scope and content of the prior art;
- (2) the level of ordinary skill in the art;
- (3) the differences between the claimed invention and the prior art; and
- (4) the objective evidence of nonobviousness. *Id.* at 17-18; see also 35 U.S.C. § 103 (2000).

392 F.3d 1317, 1320, 73 U.S.P.Q.2D (BNA) 1225 (Fed Cir. 2004); see also, *Rouffet*, 149 F.3d at 1355. U.S. Patent and Trademark Office policy is also to follow *Graham*. Accordingly, examiners should apply the test for patentability under 35 U.S.C. § 103 as set forth in *Graham*. *M.P.E.P.* § 2141 “35 U.S.C. 103; the *Graham* Factual Inquiries”, p. 2100-120, 8th ed., Rev. 2 (May 2004). Accordingly, during examination an examiner must conduct the four factual inquiries enunciated in *Graham* in determining obviousness of any claim.

The underlying factual determinations on which a conclusion of obviousness is allegedly based are reviewed to ascertain whether they are supported by substantial evidence. *In re Kumar*, 418 F.3d at 1365 (citing *Gartside*, 203 F.3d at 1316). Unsupported assessments of the prior art are unacceptable for purposes of review. “Rather, the Board must point to some concrete evidence in the record in support of these findings. To hold otherwise would render the process of appellate review for substantial evidence on the record a meaningless exercise.” *In re Zurko*, 258 F.3d at 1385-86. “[D]eficiencies of the cited references cannot be remedied by the Board’s general conclusions about what is ‘basic knowledge’ or ‘common sense,’” nor may the Board simply reach conclusions based on its own understanding or experience. *In re Zurko*, 258 F.3d at 1385; *Lee*, 277 F.3d at 1344. “[T]he Board must not only assure that the requisite findings are made,

based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion." Lee, 277 F.3d at 1344.

A determination of the level of ordinary skill in the art is an integral part of the Graham analysis. Ruiz v. A.B. Chance Co., 234 F.3d 654, 666, 57 U.S.P.Q.2D 1161, 1168 (Fed. Cir. 2000) (citing Custom Accessories Inc. v. Jeffrey-Allan Indus., Inc., 807 F.2d 955, 962, 1 U.S.P.Q.2D 1196, 1201 (Fed. Cir. 1986)). Ascertaining a level of ordinary skill in the art is necessary. M.P.E.P. § 2141.03. Okajima v. Bourdeau, 261 F.3d 1350, 1355, 59 USPQ2d 1795, 1797 (Fed. Cir. 2001) ("it is always preferable for the factfinder below to specify the level of skill it has found to apply to the invention at issue").

Failure of a prior factfinder to make an express finding of the level or ordinary skill in the art is not a reversible error where such a finding would not influence the obviousness determination under Section 103. Okajima v. Bourdeau, 261 F.3d 1350, 1355, 59 USPQ2d 1795, 1797 (Fed. Cir. 2001) (refusing to find reversible error because "[w]here the parties agree that the level of skill in the art is high, any finding by the Board that the proper level of skill is less than that urged by the parties would only reinforce the Board's conclusion of nonobviousness")

In contrast, in Ruiz v. A.B. Chance Co., 234 F.3d 654, 667 (Fed. Cir. 2000), the Federal Circuit clarified that a failure to make an explicit finding on the level of ordinary skill might be reversible error if it is demonstrated to have influenced the ultimate obviousness conclusion of the district court (citations in original):

Some of our cases indicate that the failure to make explicit findings on the level of ordinary skill is not always reversible error. See, e.g., Kloster Speedsteel AB v. Crucible Inc., 793 F.2d 1565, 1574, 230 U.S.P.Q. (BNA) 81, 86 (Fed. Cir. 1986); Union Carbide Corp. v. American Can Co., 724 F.2d 1567, 1573, 220 U.S.P.Q. (BNA) 584, 589 (Fed. Cir. 1984); Chore-Time Equip., Inc. v. Cumberland Corp., 713 F.2d 774, 779 n.2, 218 U.S.P.Q. (BNA) 673, 676 n.2 (Fed. Cir. 1983). However, as we noted in Custom Accessories, in those cases,

“it was not shown that the failure to make a finding or an incorrect finding on level of skill influenced the ultimate conclusion under section 103 and, hence, constituted reversible error.” Custom Accessories, 807 F.2d at 963, 1 U.S.P.Q.2D (BNA) at 1201.

The Examiner must ascertain what would have been obvious to one of ordinary skill in the art at the time the invention was made, and not to the inventor, a judge, a layman, those skilled in remote arts, or to geniuses in the art at hand. M.P.E.P. § 2141.03. See Envtl. Designs, Ltd. v. Union Oil Co., 713 F.2d 693, 697 (Fed. Cir. 1983), cert. denied, 464 U.S. 1043 (1984).

In making the assessment of differences between the prior art and the claimed subject matter, Section 103 specifically requires consideration of the claimed invention “as a whole.” Princeton Biochemicals, Inc. v. Beckman Coulter, Inc., 411 F.3d 1332, 1337 75, U.S.P.Q.2D 1051, 1054 (Fed. Cir. 2005); Ruiz v. A.B. Chance Co., 357 F.3d 1270, 1275, 69 U.S.P.Q.2D 1686, 1690 (Fed. Cir. 2004). Inventions typically are new combinations of existing principles or features. Envtl. Designs, Ltd. v. Union Oil Co., 713 F.2d 693, 698, 218 U.S.P.Q. 865, 870 (Fed. Cir. 1983) (noting that “virtually all [inventions] are combinations of old elements”). The “as a whole” instruction in title 35 prevents evaluation of the invention part by part and requires a showing that an artisan of ordinary skill in the art at the time of invention, confronted by the same problems as the inventor and with no knowledge of the claimed invention, would have selected the various elements from the prior art and combined them in the claimed manner. Ruiz, 357 F.3d at 1275.

Whether a rejection is based on a purported combination of relevant teachings of separate references, or on a purported modification of the prior art, an examiner can satisfy the prima facie burden only by showing some reason that would lead to the purported combination or modification. KSR v. Teleflex, Slip Op. at 14.

The PTO has confirmed that an examiner must identify a reason to combine references, and that analysis must be made explicit. Exhibit A, in a May 3, 2007 Memorandum by Deputy Commissioner for Patent Operations Margaret Focarino (“Focarino Memo,” hereafter); KSR, Slip Op. at 14. Notably, the Focarino Memo stressed that although “[t]he Court rejected a rigid application of the ‘teaching, suggestion, or motivation’ (TSM) test,” Examiners would still be required to “identify the reason why a person of ordinary skill in the art would have combined the prior art elements in a manner claimed” in their rejections. The Focarino Memo also confirmed that “the analysis supporting a rejection under [Section] 103(a) should be made explicit.”

Second, as noted above, all findings of fact by the U.S. Patent and Trademark Office must be supported by substantial evidence within the record; the factual findings underlying an obviousness analysis are no different. Brand v. Miller, Slip Op. at 8-9 (Fed. Cir. 2007); In re Gartside, 203 F.3d 1305, 1315, 53 U.S.P.Q.2D 1769, 1775 (Fed. Cir. 2000). The Federal Circuit explicitly held in Brand, a post-KSR decision, that “findings of fact by the Board must in all cases be supported by substantial evidence in the record.” Brand, Slip Op. at 8. The Federal Circuit reiterated that “[t]hat record, when before us, is closed, in that the Board’s decision must be justified within the four corners of that record.” Id. (quoting In re Gartside, 203 F.3d at 1314).

Notably, “agency expertise cannot be substituted for record evidence, because ‘[t]he requirement for administrative decisions based on substantial evidence and reasoned findings – which alone make effective judicial review possible – would become lost in the haze of so-called expertise.’” Id. at 9 (quoting Baltimore & Ohio R.R. Co. v. Aberdeen & Rockfish R.R. Co., 393 U.S. 87, 92 (1968)).

Although MPEP 2144.01 permits consideration of “not only specific teachings of the reference but also the inferences which one skilled in the art would reasonably be expected to draw therefrom,” (quoting In re Preda, 401 F.2d 825, 826, 159 USPQ 342, 344 (CCPA 1968)), Section 2144.03 nevertheless requires that an Examiner will only be permitted “to take official notice of facts without supporting documentary evidence or to rely on common knowledge in the art in making a rejection,” in limited circumstances¹. These “circumstances should be rare,” and only when the facts asserted are “capable of instant and unquestionable demonstration as being well-known.” MPEP 2144.03. Indeed, “assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art.” Id. Indeed, MPEP 2144.03 provides a clear roadmap for introducing evidence of common knowledge and common sense into the record in a way that satisfies the requirements of the KSR Court, as well as the requirement for substantial evidence in an agency proceeding.

Here, however, despite the clear requirement for an explicit reason to combine references, substantial evidence, supported by substantial evidence, and despite the unambiguous procedures for taking official notice in the absence of documentary evidence, the Final Office Action has still failed to meet, or even acknowledge these requirements for any of the rejected claims. Relying only on conclusory statements to fill in the gaps, and having expressly failed to identify

¹ MPEP 2144.03 is fully consistent with KSR. The Court in KSR warned only against “[r]igid preventative rules that deny factfinders recourse to common sense,” referring specifically to the Federal Circuit’s requirement that a teaching, suggestion or motivation for combining references be found only in the reference themselves. Slip Op. at 18. While consideration of common knowledge and common sense is desirable in any obviousness rejection, the procedures for taking official notice in the absence of documentary evidence must still be followed. Far from being a “rigid preventative measure,” the procedures outlined in MPEP 2144.03 are no more burdensome than the requirement for factual support in the closed record in any administrative proceeding.

any level of only ordinary skill, the Final Office Action's analysis does not meet any of the requirements of a proper obviousness rejection.

3.3. Analysis

The Examiner admits that none of the timing-dependent features of any of Claims 31-33, 36-40, and 43-45 are taught by Tagawa. The Examiner does not provide any evidence that it would have been known or desirable to provide for such timing-dependent features. For at least this reason, the Section 103(a) rejections should be reversed.

Specifically, the Examiner expressly admits that Tagawa does not teach any combination of claimed subject matter that is timing-dependent or functions performed in a specified order, such as after receiving or obtaining from a customer an agreement to purchase a product at a sales price, either

- *selecting a particular product to be sold to the customer from among a plurality of different products conforming to a product description;*
or
- *revealing the identity of the specific product conforming to the product description*

The Examiner does not assert that Tagawa teaches *wherein the customer is not guaranteed what specific product will be purchased before the agreement is received*, as recited in Claim 39. See Office Action, pages 5 and 6 (“The steps [in Tagawa] are not in the claimed order....”); page 7. The Examiner has thus failed to establish by substantial evidence of record that any of the claimed combinations of subject matter were known or would have been obvious. The rejections of Claims 31-33, 36-40, and 43-45 should be reversed for at least this reason.

The Examiner has failed even to articulate any reason why one of only ordinary skill in the art would have found it desirable to provide for the recited combinations of subject matter. The Examiner simply provides the conclusory

assessment that the explicitly recited “order” of any of the rejected claims is an “obvious difference”:

The Examiner asserts that the order of these functions is left to the individual businessperson having a desire to operate his/her business in this manner.

The Examiner, however, does not even articulate or suggest any possible reason why “the individual businessperson” would have such a “desire.” Accordingly, the Examiner has made a mere conclusory statement that one of ordinary skill in the art would have desired to “order” the functions in Tagawa, but has refused or is unable to articulate any reason why, and cannot have established a prima facie case of obviousness. Further, the inability or unwillingness to even articulate any objective reasoning or motivation, and to merely conclude that the claims are rejected as obvious, would appear to make the rejections arbitrary or capricious.

Further, Appellants note that the Examiner does not even suggest that Tagawa suggests any motivation to re-“order” the functions in Tagawa, and Appellants submit that Tagawa does not include any such suggestion. To the contrary, Tagawa provides for a conventional mode of commerce in which the customer makes a selection of a specific presented product/service at a known price, and then indicates agreement to purchase the specific product/service at the indicated price. In contrast, the rejected claims allow for a customer to agree to purchase a specific product that has (i) not even been selected by the controller yet and/or (ii) has not yet been revealed to the customer. The Examiner has otherwise failed to indicate any evidence in support of the conclusory assertion that it would have been obvious to provide for the particular timing-dependent subject matter of Claims 31-33, 36-40, and 43-45.

The Examiner offers no reasoning to support this contention of obviousness, however, and indeed appears to be unable to formulate a reason, even with benefit

of hindsight, as to why the different order of the steps in the pending claims would be obvious.

Further, with respect to changing the order of the steps in Tagawa to allegedly teach the pending claims, the Examiner states “there appears to be no clear or significant advantages of doing so”. Office Action, page 5. In other words, while the Examiner alleges that changing the order of steps in Tagawa would be obvious (for some unknown reason), the Examiner admits that he cannot even think of any reason why it would have been obvious.

The Examiner also argues, erroneously, that the explicitly timing-dependent subject matter “does not require any steps to be performed or does not limit the claim to a particular structure and thus attributes to no patentable difference apart from Tagawa.” Clearly, the claims require specific steps and/or structure to provide the explicitly recited functionality in any order explicitly provided for. Namely, the explicit timing of particular processes or function is required and cannot simply be dismissed as having to effect on the scope or meaning of any claim.

Appellants respectfully note that there is no rule or authority cited by the Examiner in support of this contention, much less any rule or authority known to Appellants that allows no patentable weight to be per se attributed to a limitation, such as *wherein the customer is not guaranteed what specific product will be purchased before the agreement is received*, as recited in Claim 39. In particular, there is nor rule or authority that allows “wherein” clauses to per se be read out of pending claims.

MPEP § 2111.04 describes the use of “adapted to”, “adapted for”, “wherein”, and “whereby” clauses as potentially raising a question regarding the limiting effect of such claimed clauses. MPEP § 2111.04 further points out, however, that “[i]n *Hoffer v. Microsoft Corp.*, 405 F.3d 1326, 1329, 74 USPQ2d

1481, 1483 (Fed. Cir. 2005), the court held that when a “whereby” clause states a condition that is material to patentability, it cannot be ignored in order to change the substance of the invention.” MPEP § 2111.04; emphasis added.

In this case, the Examiner has not presented any argument describing why the recited “wherein” clause is believed to be immaterial to patentability, much less supported such an argument with any evidence on the record. The only statement the Examiner offers is that “there appears [sic] to be no clear or significant advantages” to the claimed limitation. Office Action, pg. 6, line 6. It is unclear how potential advantages of the limitation have any bearing on whether the limitation should be accorded patentable weight. Appellants believe that the above-specified features are both advantageous and material to the claims and, without any argument or evidence to the contrary, should therefore be accorded patentable weight.

As for advantages, it is unfortunate that even at this late stage in prosecution the Examiner apparently has failed to consider the Specification. See, e.g., Summary of the Invention. The written description includes various explanations of the advantages provided by the claimed subject matter, advantages (and specific novel implementations to achieve such advantages) which the record of this application now indicates conclusively were unknown to either the Examiner or in the prior art.

To the extent that the Examiner is relying solely upon Tagawa as teaching that the particular combinations of claimed subject matter of Claims 31-33, 36-40, and 43-45 were known to one of ordinary skill in the art, the Section 103(a) rejection cannot stand—the Examiner expressly admits that Tagawa does not teach all of the expressly claimed subject matter of any of those claims. The Examiner has failed otherwise to indicate substantial evidence in support of the Examiner’s assertions as to what was known, has failed even to articulate a motivation to

provide for all of the claimed subject matter of any rejected claim (much less provide any evidence that any such motivation was known), and has erroneously concluded that the specific subject matter at issue should be given no patentable weight. Accordingly, the Examiner has failed to establish a prima facie case of obviousness for Claims 31-33, 36-40, and 43-45. Appellants submit that Tagawa cannot support any rejection under Section 103(a) for at least the reason that it does not teach or remotely suggest the specific timing-dependent features discussed above. Appellants request reversal of the Section 103(a) rejection of Claims 31-33, 36-40, and 43-45.

3.4. Claims 46-48

Claims 46-48 are independent.

Substantial evidence is required of all factual findings, as discussed above. Absent substantial evidence, no prima facie case of anticipation exists.

The rejections of Claims 46-48 are flawed because the Examiner has not made a prima facie case of obviousness:

- the Examiner admits that Tagawa does not teach
 - *selling the undisclosed one of the two or more products to the customer for the single sales price and to reveal the identity of the undisclosed one of the two or more products to the customer*
- the Examiner has thus failed to establish by substantial evidence of record that any of the claimed combinations of subject matter were known or would have been obvious
- the Examiner has failed even to articulate any reason why one of only ordinary skill in the art would have found it desirable to provide for the recited combinations of subject matter
- the Examiner has failed to indicate any evidence in support of the conclusory assertion that it would have been obvious to provide for the particular claimed subject matter of Claims 46-48
- the only evidence of record relied upon for this grounds of rejection cannot support a rejection of any of Claims 46-48 under Section 103(a)
- the Examiner has otherwise failed to provide substantial evidence that the particular claimed subject matter of Claims 46-48 would have been obvious at the time of Appellants' invention

3.5. Analysis

The Examiner admits that none of the timing-dependent features of any of Claims 46-48 are taught by Tagawa. The Examiner does not provide any evidence that it would have been known or desirable to provide for such timing-dependent features. For at least this reason, the Section 103(a) rejections should be reversed.

Specifically, the Examiner expressly admits that Tagawa does not teach any combination of claimed subject matter that is timing-dependent or functions performed in a specified order, such as *selling the undisclosed one of the two or more products to the customer for the single sales price and to reveal the identity of the undisclosed one of the two or more products to the customer*. See Office Action, page 7 (“The only difference between Tagawa and the claimed invention is the order of the occurrences of the claimed steps....”). The Examiner has thus failed to establish by substantial evidence of record that any of the claimed combinations of subject matter were known or would have been obvious. The rejections of Claims 46-48 should be reversed for at least this reason.

The Examiner has failed even to articulate any reason why one of only ordinary skill in the art would have found it desirable to provide for the recited combinations of subject matter. The Examiner simply provides the conclusory assessment that the explicitly recited “order” of any of the rejected claims is an “obvious difference”:

The Examiner asserts that the order of these functions is left to the individual businessperson having a desire to operate his/her business in this manner.

The Examiner, however, does not even articulate or suggest any possible reason why “the individual businessperson” would have such a “desire.” Accordingly, the Examiner has made a mere conclusory statement that one of ordinary skill in the art would have desired to “order” the functions in Tagawa, but has refused or is unable to articulate any reason why, and cannot have established a prima facie case

of obviousness. Further, the inability or unwillingness to even articulate any objective reasoning or motivation, and to merely conclude that the claims are rejected as obvious, would appear to make the rejections arbitrary or capricious.

Further, Appellants note that the Examiner does not even suggest that Tagawa suggests any motivation to re-“order” the functions in Tagawa, and Appellants submit that Tagawa does not include any such suggestion. To the contrary, Tagawa provides for a conventional mode of commerce in which the customer makes a selection of a specific presented product/service at a known price, and then indicates agreement to purchase the specific product/service at the indicated price. In contrast, the rejected claims allow for a customer to agree to purchase a specific product that has (i) not even been selected by the controller yet and/or (ii) has not yet been revealed to the customer. The Examiner has otherwise failed to indicate any evidence in support of the conclusory assertion that it would have been obvious to provide for the particular timing-dependent subject matter of Claims 46-48.

The Examiner offers no reasoning to support this contention of obviousness, however, and indeed appears to be unable to formulate a reason, even with benefit of hindsight, as to why the different order of the steps in the pending claims would be obvious.

Further, with respect to changing the order of the steps in Tagawa to allegedly teach the pending claims, the Examiner states “there appears to be no clear or significant advantages of doing so”. Office Action, page 5. In other words, while the Examiner alleges that changing the order of steps in Tagawa would be obvious (for some unknown reason), the Examiner admits that he cannot even think of any reason why it would have been obvious.

The Examiner also argues, erroneously, that the explicitly timing-dependent subject matter “does not require any steps to be performed or does not limit the

claim to a particular structure and thus attributes to no patentable difference apart from Tagawa.” Clearly, the claims require specific steps and/or structure to provide the explicitly recited functionality in any order explicitly provided for. Namely, the explicit timing of particular processes or function is required and cannot simply be dismissed as having to effect on the scope or meaning of any claim.

As for advantages, it is unfortunate that even at this late stage in prosecution the Examiner apparently has failed to consider the Specification. See, e.g., Summary of the Invention. The written description includes various explanations of the advantages provided by the claimed subject matter, advantages (and specific novel implementations to achieve such advantages) which the record of this application now indicates conclusively were unknown to either the Examiner or in the prior art.

To the extent that the Examiner is relying solely upon Tagawa as teaching that the particular combinations of claimed subject matter of Claims 46-48 were known to one of ordinary skill in the art, the Section 103(a) rejection cannot stand—the Examiner expressly admits that Tagawa does not teach all of the expressly claimed subject matter of any of those claims. The Examiner has failed otherwise to indicate substantial evidence in support of the Examiner’s assertions as to what was known, has failed even to articulate a motivation to provide for all of the claimed subject matter of any rejected claim (much less provide any evidence that any such motivation was known), and has erroneously concluded that the specific subject matter at issue should be given no patentable weight. Accordingly, the Examiner has failed to establish a prima facie case of obviousness for Claims 46-48. Appellants submit that Tagawa cannot support any rejection under Section 103(a) for at least the reason that it does not teach or remotely

suggest the specific timing-dependent features discussed above. Appellants request reversal of the Section 103(a) rejection of Claims 46-48.

CONCLUSION

Thus, the Examiner's rejection of the pending claims is improper at least because the Examiner has not provided a proper legal basis for rejecting any claim. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Appellants' representative using the information provided below.

Appellants hereby request any extension of time that may be required to make this Appeal Brief timely. Please charge any fees that may be required for this paper, or credit any overpayment, to Deposit Account No. 50-0271.

Respectfully submitted,

September 7, 2007

Date

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APPENDIX A—CLAIMS INVOLVED IN THE APPEAL

Claims 31-33, 36-40, and 43-50 are being appealed.

Appealed Claims 31-33, 36-40, and 43-49 are independent.

31. Computer-executable process steps stored on a computer-readable medium, the process steps comprising:

- a determining step to determine a sale price based on a product description;
- a receiving step to receive from a customer an agreement to purchase a product for the sale price; and

- after the receiving step, a selecting step to select a particular product to be sold to the customer from among a plurality of different products conforming to the product description.

32. Computer-executable process steps stored on a computer-readable medium, the process steps comprising:

- a receiving step to receive a product description from a customer, the product description including condition values describing a product desired by a customer;

- a determining step to determine a sale price based on the received product description;

- a transmitting step to transmit the sale price to the customer;

- a receiving step to receive from the customer, prior to revealing the identity of a specific product to the customer, an agreement to purchase a product conforming to the product description for the sale price;

- a selecting step to select a specific product conforming to the product description; and

- a transmitting step to transmit redemption information to the customer and to reveal the identity of the specific product to the customer.

33. Computer-executable process steps stored on a computer-readable medium, the process steps comprising:

- a receiving step to receive a description of a desired air travel itinerary;

- a determining step to determine a sale price based on the description;

- a receiving step to receive an agreement from a customer to purchase an airline ticket for the sale price; and

- after receiving the agreement, a selecting step to select a flight on which the airline ticket will allow the customer to travel.

36. Computer-executable process steps encoded in a computer-readable signal, the process steps comprising:

- a determining step to determine a sale price based on a product description;
- a receiving step to receive from a customer an agreement to purchase a product for the sale price; and
- after the receiving step, a selecting step to select a particular product to be sold to the customer from among a plurality of different products conforming to the product description.

37. Computer-executable process steps encoded in a computer-readable signal, the process steps comprising:

- a receiving step to receive a product description from a customer, the product description including condition values describing a product desired by a customer;
- a determining step to determine a sale price based on the received product description;
- a transmitting step to transmit the sale price to the customer;
- a receiving step to receive from the customer, prior to revealing the identity of a specific product to the customer, an agreement to purchase a product conforming to the product description for the sale price;
- a selecting step to select a specific product conforming to the product description; and
- a transmitting step to transmit redemption information to the customer and to reveal the identity of the specific product to the customer.

38. Computer-executable process steps encoded in a computer-readable signal, the process steps comprising:

- a receiving step to receive a description of a desired air travel itinerary;
- a determining step to determine a sale price based on the description;
- a receiving step to receive an agreement from a customer to purchase an airline ticket for the sale price; and

after receiving the agreement, a selecting step to select a flight on which the airline ticket will allow the customer to travel.

39. An apparatus comprising:

- a processor; and
- a memory in communication with the processor and storing processor-executable process steps;

wherein the processor is operative with the processor-executable process steps stored in the memory to:

- i) receive a product description from a customer, the product description including condition values describing a product desired by a customer;
- ii) determine a sale price based on the received product description;
- iii) transmit the sale price to the customer;
- iv) receive from the customer an agreement to purchase a product conforming to the product description for the sale price;
- v) select a specific product conforming to the product description; and
- vi) transmit redemption information to the customer, the redemption information identifying the specific product, wherein the customer is not guaranteed what specific product will be purchased before the agreement is received.

40. An apparatus comprising:
a processor; and
a memory in communication with the processor and storing processor-executable process steps;
wherein the processor is operative with the processor-executable process steps stored in the memory to:

- i) receive a description of a desired air travel itinerary;
- ii) determine a sale price based on the description;
- iii) a receiving step to receive an agreement from a customer to purchase an airline ticket for the sale price; and
- iv) after receiving the agreement, a selecting step to select a flight on which the airline ticket will allow the customer to travel.

43. An apparatus comprising:
means for establishing a sale price based on a product description;
means for obtaining from a customer an agreement to purchase a product for the sale price; and
means for identifying a particular product to be sold to the customer from among a plurality of different products conforming to the product description after obtaining the agreement.

44. An apparatus comprising:

- means for obtaining a product description from a customer, the product description including condition values describing a product desired by a customer;
- means for establishing a sale price based on the received product description;
- means for delivering the sale price to the customer;
- means for obtaining from the customer, prior to revealing the identity of a specific product to the customer, an agreement to purchase a product conforming to the product description for the sale price;
- means for identifying a specific product conforming to the product description; and
- means for delivering redemption information to the customer and to reveal the identity of the specific product to the customer.

45. An apparatus comprising:

- means for obtaining a description of a desired air travel itinerary;
- means for establishing a sale price based on the description;
- means for obtaining an agreement from a customer to purchase an airline ticket for the sale price; and
- means for identifying a flight on which the airline ticket will allow the customer to travel after obtaining the agreement.

46. Computer-executable process steps stored on a computer-readable medium, the process steps comprising:

a receiving step to receive a product description from a customer, the product description being descriptive of two or more products from a plurality of available products;

a determining step to determine, based on the product description, a single sales price applicable to each of the two or more products from the plurality of available products;

a transmitting step to transmit, to the customer, an offer to buy an undisclosed one of the two or more products for the single sale price; and

a selling step to sell the undisclosed one of the two or more products to the customer for the single sales price and to reveal the identity of the undisclosed one of the two or more products to the customer.

47. A method, comprising:

receiving a product description from a customer, the product description being descriptive of two or more products from a plurality of available products;

determining, by a controller, and based on the product description, a single sales price applicable to each of the two or more products from the plurality of available products;

transmitting, to the customer, an offer to buy an undisclosed one of the two or more products for the single sale price; and

selling the undisclosed one of the two or more products to the customer for the single sales price and to reveal the identity of the undisclosed one of the two or more products to the customer.

48. An apparatus, comprising:

means for receiving a product description from a customer, the product description being descriptive of two or more products from a plurality of available products;

means for determining, based on the product description, a single sales price applicable to each of the two or more products from the plurality of available products;

means for transmitting, to the customer, an offer to buy an undisclosed one of the two or more products for the single sale price; and

means for selling the undisclosed one of the two or more products to the customer for the single sales price and to reveal the identity of the undisclosed one of the two or more products to the customer.

49. A method, comprising:

receiving a first product description from a first customer, the first product description being descriptive of a product from a plurality of available products;

receiving a second product description from a second customer, the second product description being descriptive of the product from the plurality of available products;

determining, based on the first product description, a first sales price for the product from the plurality of available products;

determining, based on the second product description, a second sales price for the product from the plurality of available products;

providing the first sales price to the first customer;

providing the second sales price to the second customer; and

selling the product from the plurality of available products by at least one of:

(i) selling the product from the plurality of available products to the first customer for the first sales price; and

(ii) selling the product from the plurality of available products to the second customer for the second sales price.

50. The method of claim 49, wherein the first and second sales prices are the same.

APPENDIX B—EVIDENCE

<NONE>

APPENDIX C—RELATED PROCEEDINGS

<NONE>